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### NOTES OF CASES.

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#### **Corporations—Promoters—Partnership Liability to Third Persons.**

—In *Hall Lithographing Co. v. Crist*, in the Supreme Court of Kansas (October, 1916, 160 Pac. 198), it was held that "all who participate in a project to found a corporation are liable as partners for the debts thereby incurred when the project is abandoned before completion." The court said in part:

"The general verdict was for the defendants. Plaintiff appeals, and the gist of its assignment of errors is the net result—that the defendants, having the liability of partners in this proposed corporation, are permitted to escape their responsibilities. The case was tried on the defendants' theory that unless authority was granted by them to Gunn to contract this debt on behalf of the proposed corporation they were not liable.

The true rule is founded on a very simple philosophy. A number of persons may undertake to accomplish a certain enterprise, be that to build a house, to run a store, or to found a banking corporation. In any such enterprise they are partners. As such they have all the responsibilities of partners so far as their dealings with third parties are concerned. If they offend against each other they have their several legal remedies. But in their dealings with others in furtherance of their common purpose each partner may bind the partnership. John R. Gunn, a partner in their enterprise to found a bank, contracted this debt in the proposed bank's behalf and consequently in defendants' behalf. The stationery and supplies were necessary and pertinent to the proposed corporate business and in furtherance of their common purpose. They are therefore liable to the plaintiff (*Walton v. Oliver*, 49 Kan. 107, 30 Pac. 172, 33 Am. St. Rep. 355; *Bank v. Sheldon*, 86 Kan. 460, 121 Pac. 340; *Bank v. Sheldon*, 96 Kan. 492, 152 Pac. 765).

Are all the defendants liable? That we cannot determine from the record. Those who in any manner participated in the common enterprise to found and establish the bank are liable; and to ascertain that fact the judgment of the district court must be reversed and the cause remanded for a new trial."

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#### **Foreign Corporations—Failure to Comply with Statute—Liability of Stockholders as Partners.**

—In *Cunningham v. Shelby*, in the Supreme Court of Tennessee (October, 1916, 188 S. W. 1147), it was held that stockholders of a foreign corporation attempting to do business in the state without having attempted to comply with the statutory requirements as to foreign corporations, are liable on contracts as partners, although contracting in corporate name, and although the stockholders did not know of such non-compliance with the stat-